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Rewald investors sue 26 connected with his firm

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More than 40 investors in Bishop Baldwin Rewald Dillingham & Wong yesterday filed suit in federal court against the president and 25 other people alleged to be employees of that defunct firm, blaming the defendants for their losses.

The defendants included former company president Sunlin L.S. Wong, who has confessed to criminal fraud charges; former City Councilman Daniel Clement, who was briefly a consultant for the company; part-time District Judge Gerald N.Y.C. Lam, who did legal work for some of Bishop Baldwin's clients and shared company offices; John H. "Jack" Kindschi, ex-CIA chief in Honolulu and another former Bishop Baldwin consultant; and the elusive "Richard Cavanaugh," a person believed to be a CIA agent and described as a consultant.

Kindschi, Clement and Lam all have denied any wrongdoing in their connections with Ronald Rewald's firm.

The suit did not name Rewald as a defendant. Rewald, one of the founders of the company, is facing state charges of theft by deception in the case.

The suit was filed in Honolulu by Rewald's own San Francisco attorney, Melvin Belli, in association with attorneys John Hill and Daniel A. Stenson of San Francisco and John Yamane and James Leavitt of Honolulu.

Rewald, reached for comment in San Francisco last night, said he was surprised that Belli was involved in the suit. He condemned the legal action as unfair to former employees of the company.

He said he believed that the suit was intended to target individuals who had professional insurance policies and/or assets, and that the only reason he wasn't included is that "I have nothing

left."

The suit did appear to name almost every professional associated with Rewald's firm.

"It stinks," Rewald said of the suit. "These people didn't do anything wrong."

But Rewald added that he thought the former employees had brought the suit on themselves by standing silent for a year and "not banding together."

In all, the suit named 14 attorneys and five accountants, accusing them of professional negligence and malpractice. Three real estate agents were named and accused of creating and selling company securities.

Plaintiffs include some of those who have lost most in the collapse of Rewald's company, many of whom also are blaming the CIA for the same losses. They include Elizabeth Halvorsen, who says she lost \$1,056,510, and the Hawaiian Trust Co. for the L. Don Halvorsen Trust, \$2,189,227.

Other plaintiffs are L. Ted Frigard, one of the first to sue the CIA, \$310,000; William Bartenstein, who says he lost \$240,000 in Motor Cars Hawaii because Bishop Baldwin bought in; and Jane Inuma, who herself is accused in civil suits of leading other investors in, \$172,651.

One plaintiff, Wayne D. Sato Inc., said it held the assigned rights of 13 investors, about \$475,000.

The suit said that the attorneys and accountants rendered professional advice and services to Bishop Baldwin and that they and four named consultants participated in sale of securities for the company. The suit says that in 1978, the defendants devised a scheme to obtain funds from the public through Bishop Baldwin and made, authorized or ratified false representations to accomplish that goal.

The suit said the company was operated as a "racketeering influenced corrupt organization" and thus made plaintiffs eligible for triple damages under federal law.